

# CRS Report for Congress

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## Iran's Influence in Iraq

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### Summary

Iran's influence over the post-Saddam government in Iraq is substantial because the predominant parties in that government have long enjoyed Tehran's sponsorship. An emerging concern is that Iran's influence has extended to support for militant groups in Iraq. U.S. officials say that sophisticated explosive devices are entering Iraq from Iran, suggesting that Iran, or factions within Iran, are backing Iraqi factions that use violence to oppose the U.S. presence in Iraq. This report will be updated as warranted. See CRS Report RL32048, *Iran: U.S. Concerns and Policy Responses*, by Kenneth Katzman.

### Background

The significance of the issue of Iranian influence in Iraq derives from tensions between the United States and Iran over Iran's nuclear ambitions. Experts anticipate that any U.S. military action would likely cause Iran to retaliate, in part, by directing its allies in Iraq to attack U.S. forces there, further complicating the U.S. effort to stabilize Iraq.

Now that the conventional military and weapons of mass destruction (WMD) threat from Saddam Hussein has been removed, the thrust of Iran's strategy in Iraq has been to perpetuate domination of Iraq's government by pro-Iranian Shiite Islamist leaders. Iran's leaders and diplomats have sought to persuade all Iraqi Shiite Islamist factions in Iraq to work together through the U.S.-orchestrated political process, because the sheer number of Shiites in Iraq (about 60% of the population) virtually ensures Shiite predominance of government. To this extent, Iran's orientation in Iraq differs little from the main emphasis of U.S. policy in Iraq, which has been to set up a democratic process that reflects majority preferences. Iran's strategy bore fruit with victory by a Shiite Islamist bloc ("United Iraqi Alliance") in the two National Assembly elections in 2005. The UIA bloc, which won 128 of the 275 Assembly seats in the December election, includes all of Iran's Shiite Islamist protégés in Iraq, including the Supreme Council for the Islamic Revolution in Iraq (SCIRI), the most pro-Iranian of the groups, the Da'wa (Islamic Call) party, and Moqtada Al Sadr's faction. Like his predecessor as Prime Minister, Ibrahim al-Jafari, Nuri al-Maliki is from the Da'wa Party, although Maliki spent most of his exile in Syria, not Iran. Most SCIRI leaders spent their years of exile in Iran. Moqtada Al Sadr and his supporters remained in Iraq during Saddam's rule.

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SCIRI controls a militia called the “Badr Brigades” (now renamed the “Badr Organization”) which number about 20,000. Badr fighters are playing unofficial policing roles in Basra and other Shiite cities. Those Badr members that have joined the national Iraqi police and military forces are widely said to retain their loyalties to Badr and SCIRI. The Badr Brigades were formed, trained, and equipped by Iran’s Revolutionary Guard, politically aligned with Iran’s hardliners, during the Iran-Iraq war. During that war, Badr guerrillas conducted forays from Iran into southern Iraq to attack Baath Party officials, but the Badr forays did not spark broad popular unrest against Saddam Hussein’s regime. Some Sunnis have accused Badr fighters of conducting retaliatory attacks on Sunnis suspected of links to the insurgency. A related militia called the “Wolf Brigade,” recently renamed the Freedom Brigade, is a Badr offshoot that is formally under the Ministry of Interior’s control.

Iranian leaders have also cultivated ties to Grand Ayatollah Ali al-Sistani, the 75-year-old Iranian-born Shiite cleric who is de-facto leader of mainstream Shiite Islamists. However, Sistani has differed with Iran’s doctrine of direct clerical involvement, although he has exerted his considerable influence on major political decisions since the fall of Saddam Hussein. As a revered Shiite cleric with a large following in Iran itself, particularly the theological center of Qom, Sistani has resisted political direction from Iran.

Iran’s relations with Moqtada Al Sadr, another Shiite Islamist cleric, are more complicated. The 31-year-old is a scion of the revered Sadr clan and he has strongly criticized the U.S. presence in Iraq. His great uncle, Mohammad Baqr Al Sadr, was a contemporary and ally of Iran’s Ayatollah Ruhollah Khomeini, and was hung by Saddam Hussein in 1980. Unlike SCIRI and Da’wa leaders, Sadr and his clan remained in Iraq during Saddam’s rule, and Sadr has generally been seen as a rival to those parties for pre-eminence among Iraq’s Shiites. This might explain why Iran’s relations with Sadr are somewhat more tenuous and uneven than Iran’s relations with Da’wa and SCIRI. However, Iran appears to see him, with his large and dedicated following particularly among lower-class Shiite Muslims in Iraq, as a growing force in Iraqi politics and a potential long-term asset to Iran. Iran’s strategy thus far apparently has been to build ties to Sadr and coax him into the political process, while tolerating — or possibly even materially assisting — his challenges to the United States and Britain, as discussed further below.

Like SCIRI, Sadr believes that it is useful to maintain his own militia in post-Saddam southern Iraq. However, in contrast to the Badr forces, Sadr’s “Mahdi Army” militia does not have long-standing ties to Iran. The militia was formed in mid-2003 when Sadr, whose base is more anti-U.S. than are the supporters of SCIRI, Da’wa, and Sistani, sought to forcibly oppose U.S. forces in Iraq. U.S. military operations put down Mahdi Army uprisings in April 2004 and August 2004 in Sadr City (a Shiite-inhabited slum area of Baghdad), Najaf, and other Shiite cities. In each case, fighting was ended with compromises under which Mahdi forces stopped fighting in exchange for amnesty for Sadr himself. Since August 2004, the Mahdi Army has largely ended active anti-U.S. activity, but Mahdi fighters continue to patrol Sadr City and parts of other Shiite cities, particularly in Basra, where they have sought to ensure that personal behavior conforms to Islam and tradition. Mahdi (and Badr Brigade) assertiveness in Basra has partly

accounted for a sharp deterioration of relations since July 2005 between Iraqi officials in Basra and the British forces that conduct peacekeeping in the city.

A variety of press reports say that other Shiite militias are performing informal police functions in southern Iraq. One such militia is derived from the fighters who challenged Saddam Hussein's forces in the southern marsh areas, around the town of Amara, north of Basra. It goes by the name Hizbollah-Iraq and it is headed by guerrilla leader Abdul Karim Muhammadawi, who was on the Iraq Governing Council during the U.S. occupation period (May 2003-June 2004). Hizbollah-Iraq apparently plays a major role in policing Amara and environs. (Muhammadawi has agreed to run on the slate of Deputy Prime Minister Ahmad Chalabi in the December 15, 2005 elections. Chalabi has been politically close to Iran and reportedly has been under U.S. investigation for passing U.S. military secrets to Iran.)

Iranian support to Sunni Muslim insurgents in Iraq, such as foreign volunteers commanded by Abu Musab al-Zarqawi, would not appear to fit Iran's political strategy in Iraq. These factions are attempting to bring down Iraq's government in which pro-Iranian factions are predominant, an objective clearly not shared by Iran. On the other hand, some believe that Iran might want to support Sunni insurgents for no other purpose than to cause harm to the U.S. military position in Iraq. Another interpretation is that some of Iran's assistance to Shiite factions such as Sadr's group is being re-transferred to Sunni guerrillas without Iran's knowledge or support. Sadr has held talks with some major Sunni militant groups in an effort to forge a Shiite-Sunni anti-U.S. alliance.

## **Indicators of Iranian Influence in Iraq**

Since the fall of Saddam Hussein, Iran has established that it has substantial political and economic influence over and mentorship of the Iraqi government. During exchanges of high-level visits in the summer of 2005, including a large Iraqi delegation led by interim Prime Minister Ibrahim al-Jafari in July 2005, Iraqi officials essentially took responsibility for starting the 1980-1988 Iran-Iraq war, indirectly blamed Saddam Hussein for ordering the use of chemical weapons against Iranian forces during that conflict, and condemned Israel. During a defense ministerial exchange, the two countries signed military cooperation agreements, as well as agreements to open diplomatic facilities in Basra and Karbala (two major cities in Iraq's mostly Shiite south) and agreements on new transportation and energy links, including oil swaps and possibly future oil pipeline connections. Iran offered Iraq a \$1 billion credit line as well. Iraq denies that the military agreements signed include commitments by Iran to train Iraqi forces, saying the cooperation is limited to border security, landmine removal, remaining POW/MIA issues from the Iran-Iraq war, and information sharing.

Some observers say that Iran is moving to exert influence over the new, permanent government, even though the government now incorporates major Sunni figures who have traditionally been suspicious of Iran. Shortly after the government of Nuri Kamal al-Maliki took office on May 20, Iran's Foreign Minister Manuchehr Mottaki led a high-profile visit to Iraq. During that visit, Iraq supported Iran's right to pursue nuclear technology "for peaceful purposes," while also stating that Iraq does not want "any of [its]

neighbors to have weapons of mass destruction.”<sup>1</sup> The two countries also reaffirmed the agreement to mutually secure their common border.

At the same time, some believe Iran’s influence will fade over the long term. Iraq’s post-Saddam constitution does not establish an Iranian-style theocratic government. Some experts maintain that rivalry between Iraq’s Shiite clerics and those of Iran might increase if Najaf re-emerges as a key center of Shiite Islamic scholarship to rival Qom in Iran. Other experts note that most Iraqi Shiites generally stayed loyal to the Iraqi regime during the 1980-1988 Iran-Iraq war, which took nearly one million Iranian lives and about half that many Iraqi battlefield deaths. Although exchanges of prisoners and remains from the Iran-Iraq war are mostly completed, Iran has not returned the 125 military and civilian aircraft flown to Iran at the start of the 1991 Gulf war. On the other hand, territorial issues are mostly resolved as a result of an October 2000 agreement to abide by the waterway-sharing and other provisions of their 1975 Algiers Accords. (Iraq abrogated that agreement prior to its September 1980 invasion of Iran.) During the 1990s, Iran’s naval forces did sometimes cooperate with Saddam Hussein’s illicit export of oil through the Gulf, in exchange for substantial “protection fees.”

## **U.S. Assertions of Iranian Support to Armed Groups**

Some U.S. and allied officials appear to believe that Iran’s agenda in Iraq might be broader and more threatening than providing political support to pro-Iranian factions. According to experts who share this view, Iran might be seeking to develop a broad range of options in Iraq that include sponsoring insurgent violence to pressure U.S. and British forces to leave Iraq or to deter the United States from action against Iran to curb its purported nuclear ambitions. On several occasions over the past year, Secretary of Defense Rumsfeld and other senior U.S. officials have asserted that U.S. forces have found Iranian-supplied explosives (reportedly including highly lethal shaped explosives) in Iraq.<sup>2</sup> On October 6, 2005, British Prime Minister Blair made similar allegations about Iran, backing up press comments the previous day from an unnamed British government official who alleged that Iran had supplied explosive devices to Sadr’s Mahdi Army.<sup>3</sup> Blair, in his public comments, attributed the shipments to “Iranian elements” or Iran’s ally, Lebanese Hizballah, acting on Iran’s behalf, and he asserted that the explosives had been used to kill eight British soldiers in and around Basra since July 2005. In March 2006, Defense Secretary Rumsfeld, Joint Chiefs of Staff Chairman Peter Pace, and Commander of U.S. Central Command (CENTCOM) Gen. John Abizaid asserted that Iran’s Revolutionary Guard — particularly its “Qods (Jerusalem) Forces” that conduct activities outside Iran in support of Shiite movements — is assisting armed factions in Iraq with explosives and weapons. None of these assertions of Iranian shipments has specified whether the weapons shipments had formal Iranian government approval or for which Iraqi faction(s) the bombs were intended.

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<sup>1</sup> “Clarification Statement” issued by Iraqi Foreign Minister Hoshyar Zebari. May 29, 2006.

<sup>2</sup> Scarborough, Rowan. “Rumsfeld Says Iran ‘Allowing’ Weapons Into Iraq.” *Washington Times*, August 10, 2005.

<sup>3</sup> “Blair Warns Iran Over Iraq Bombs.” *BBC News*, October 6, 2005.

Although echoing the British assertions, U.S. officials, eager to try to stabilize Iraq, appear to have chosen to try to engage Iran on the issue. In the December 5, 2005, issue of *Newsweek* magazine, U.S. Ambassador to Iraq Zalmay Khalilzad confirmed that he had received President Bush's approval to undertake negotiations with Iranian counterparts in an effort to enlist Iranian cooperation in Iraq. The United States and Iran confirmed in March 2006 that they would conduct direct talks on the issue of stabilizing Iraq. However, differences began to appear when Iranian officials intimated that they would want to expand such discussions to bilateral U.S.-Iran issues, including Iran's nuclear ambitions. The Administration opposed doing so, insisting the talks would take place in Baghdad and would be limited to Iraq issues. In addition, some Sunni groups criticized the United States for seeking the talks, maintaining that the United States and Iran might reach an arrangement to stabilize Iraq that neglects the views of Iraq's Sunnis. In May 2006, Iranian President Mahmoud Ahmadinejad said the talks were no longer needed because an Iraqi unity government had been formed, and no U.S.-Iran talks have been held, to date.

## Recent Press Allegations

The statements of U.S. and British officials, cited above, characterize Iran's aid to militant groups in Iraq in very general terms. Some press reports have offered more specific information. There is no firm information on how many representatives of the Iranian government or its institutions might be in Iraq. Two major articles, one in *U.S. News and World Report* and one in *Time* magazine, as well as other press reports, discuss allegations of Iranian material support to militant groups in Iraq as follows:<sup>4</sup>

- According to the *Time* report, which it says is based on U.S. military intelligence documents, Iran's Revolutionary Guard has set up a network in Iraq, headed by Abu Mustafa al-Sheibani, with the expressed purpose of committing violence against U.S. and coalition forces in Iraq. The report adds that it is this network that has brought into Iraq new types of "shaped" explosive charges that can pierce U.S. armor. According to the *Time* report, Sheibani's group "consists of 280 members, divided into 17 bomb-making teams and death squads.
- According to the *Time* report, Iranian-supported militant groups, including one called Thar Allah (Vengeance of God), are responsible for assassinations in southern Iraq against former members of Saddam's intelligence service and even some (presumably Sunni Muslim) members of Iraq's newly reconstituted National Intelligence Service. Thar Allah is reportedly headed by Yusif al-Musawi. According to other reports, Iraqi security officials have raided its headquarters and seized documents showing that it gets financial and logistical support from Iran.<sup>5</sup>

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<sup>4</sup> See Ware, Michael. "Inside Iran's Secret War for Iraq." *Time*, August 22, 2005; and "The Iran Connection." *U.S. News and World Report*, November 22, 2004.

<sup>5</sup> "Iraqi Security Forces Pursue Basra Militias, Arrest Iranian Infiltrators." *BBC News*, October 31, 2005.

- The *U.S. News* report appears to support the Blair assertions discussed above by citing U.S. military reports that Lebanese Hizballah had established a “team of 30 to 40 operatives” in Najaf to support Moqtada Al Sadr’s Mahdi militia forces, and that Hizballah had bought rocket-propelled grenades and anti-tank missiles for the Mahdi forces.
- In late October 2005, the *London Sunday Telegraph* quoted an Iranian opposition group (National Council of Resistance) as saying that Iran’s Revolutionary Guard had set up a network of smuggling routes to ferry men and equipment for attacks on U.S. and allied troops in Iraq.<sup>6</sup> According to the report, the three principal smuggling routes were near the southern cities of Basra and Amarah, and in central Iraq, directly east of Baghdad. Some Iraqi security units in Diyala Province (which covers areas east of Baghdad) appeared to corroborate these assertions by announcing arrests of Iranian infiltrators.<sup>7</sup>
- On June 13, 2006, the *New York Times* (“Oil, Politics and Bloodshed Corrupt an Iraqi City”) reported that in February 2006, border police in Basra, which is near the border with Iran, arrested a man they identified as a colonel in the Revolutionary Guard as he attempted to cross into Iraq.

## Conclusions

Iran appears to be pursuing multiple options in Iraq. Iran is supporting the U.S.-engineered political process in Iraq because doing so favors pro-Iranian movements in Iraq, which have numeric strength and a degree of popularity. However, Iran is preserving the option of sponsoring militant activity in Iraq either to drive U.S. and allied forces out of Iraq or to raise the costs of U.S. military intervention close to Iran’s borders. Iran’s influence in Iraq positions Iran to retaliate against the United States should the United States succeed in persuading the United Nations to impose economic sanctions on Iran because of its nuclear program. Iran might also retaliate through Iraqi proxies if the United States were to undertake direct military action against Iran’s nuclear facilities or other installations. An alternate explanation is that Iran might be indulging the Sadr faction with weaponry and other support as a way of building ties to a future political power in Iraq, Moqtada al-Sadr. Sadr’s faction is now the largest bloc in the new Council of Representatives, holding about 32 seats in the 275-seat body.

It is unlikely that Iran’s influence will fade unless the Shiite Islamist factions in Iraq were to somehow suffer diminished political power. At current levels of Iranian influence, it is likely that the Iraqi government will continue to offer general support to Iranian foreign policy, including its attempts to continue to advance its nuclear program.

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<sup>6</sup> Coughlin, Con. “Smuggling Route Opened to Supply Iraqi Insurgents.” *London Sunday Telegraph*, October 30, 2005.

<sup>7</sup> “Iraqi Police Arrest Nine Iranian ‘Infiltrators’ Near Border.” *BBC News*, October 29, 2005.